

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268

DSCF - STANDARD MAIL LOAD LEVELING

Docket No. N2014-1

**DIRECT TESTIMONY OF
LINDA M. MALONE
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE**

(USPS-T-1)

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1 **Autobiographical Sketch**

2 My name is Linda M. Malone. Beginning in November 2012, I have
3 served as the Manager of Processing Operations in the Network Operations
4 Department at the United States Postal Service Headquarters. My office has
5 national policy and program responsibility for processing operations in all
6 Processing and Distribution Centers (P&DCs), Network Distribution Centers
7 (NDCs), Logistics and Distribution Centers (L&DCs), and Remote Encoding
8 Centers (RECs). I work with various departments, both at Headquarters and in
9 the field, on issues related to mail processing, equipment deployment, facilities,
10 transportation and delivery, and labor negotiations.

11 I began my Postal Service career in 1985 as a letter carrier in Wilmington,
12 Delaware. From 1987 through 1995, I held various positions in Delivery
13 Operations, including Manager of the Rodney Square Station and the Greenville
14 Station, Stamp Distributing Officer at the Wilmington Main Post Office, and
15 Delivery Supervisor at the Lancaster Station. During this period, I was detailed to
16 Labor Relations as an advocate for the Postal Service in Grievance Arbitration
17 and Merit System Protection Board hearings. In another instance, I served a
18 detail as Officer-In-Charge at the Vineland, New Jersey Post Office.

19 In 1995, I began working at Headquarters in the Operations Department
20 as an Operations Specialist. In 2002, I transferred to the Engineering
21 Department where I worked on Decision Analysis Reports (DARs) supporting
22 new capital investments and implemented new programs such as the Postal
23 Automation Redirection System (PARS).

1 In 2005, I returned to the Operations Department at Headquarters as the
2 Manager of Operations Technical and Systems Integration Support, where I was
3 responsible for the systems that support the recording of volumes and work
4 hours of mail processing activities and the integration of new equipment.
5 Beginning in late 2005, I spent six months in Houston, Texas and New Orleans,
6 Louisiana working on Hurricane Katrina recovery efforts on behalf of the Postal
7 Service before returning to Headquarters.

8 In 2010, I became Senior Plant Manager for the Central Pennsylvania
9 District, where I was responsible for oversight of mail processing operations at
10 the Harrisburg, Lehigh Valley, Lancaster, Williamsport, Reading and Scranton
11 mail processing plants. Beginning in February 2012, I was the Manager of the
12 South Jersey District and was responsible for three plants and over 300 Post
13 Offices, with an annual operating budget over 875 million dollars, until I was
14 asked to assume my current responsibilities.

15 I earned a Bachelor of Science degree in Business from the University of
16 Delaware and later earned a Master of Business Administration from Averett
17 University.

1 **I. Purpose of Testimony**

2 The purpose of my testimony is to describe the nature of a change in
3 service applicable to Destination Sectional Center Facility (DSCF) rate Standard
4 Mail that the Postal Service intends to implement no earlier than March 27, 2014.
5 When such mail is accepted on Friday or Saturday, the Postal Service plans to
6 extend the otherwise applicable service standard by one day. Otherwise, the
7 currently applicable service standard will remain the same for DSCF Standard
8 Mail entered during the remainder of the week.

9 I will explain the basis for the proposed service change and the process
10 through which it was planned and developed. My testimony will explain how the
11 Postal Service considered customer concerns in determining the nature and
12 scope of the planned service change. I will also describe an operations test
13 performed during September 2013 to examine the implications of the service
14 change and the results of that test. In addition, I will summarize operations
15 testing underway at the time this testimony was filed, the potential for additional
16 testing, and the Postal Service's plans for reporting test results. I will summarize
17 the Postal Service's plans for implementing the service change. In concert with
18 the testimony of one other Postal Service witness, my testimony provides a basis
19 for the Commission to issue an affirmative advisory opinion in response to the
20 Postal Service's request in this docket.

21 USPS Library References N2014-1/1 and N2014-1/2 are associated
22 with my testimony.

1 **II. Nature of Proposed Service Change**

2 The service change at issue in this docket is limited in scope as it applies
3 only to Standard Mail that qualifies for DSCF rates.

4 **A. Summary of Current DSCF Standard Mail Service Standards**

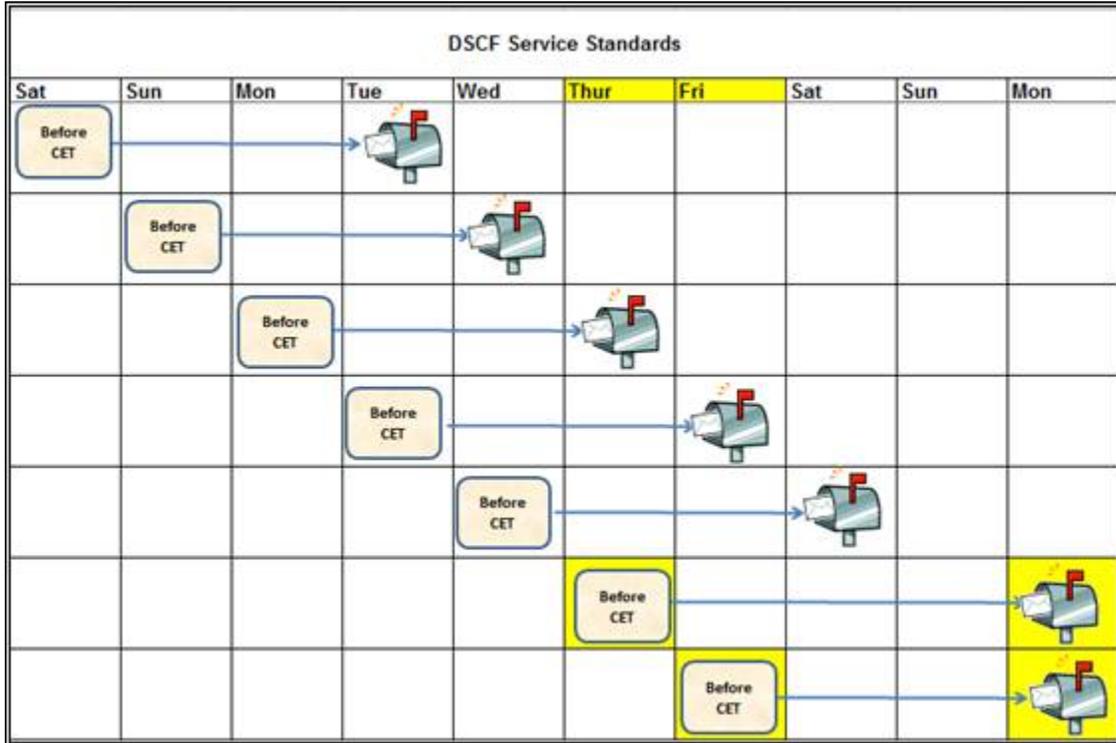
5 Under current service standards, DSCF Standard Mail accepted at the
6 DSCF prior to the established Critical Entry Time (CET) (currently 1600
7 nationwide) is generally expected to be delivered by the third day after
8 acceptance.¹ If the delivery day implied by the applicable service standard is a
9 scheduled non-delivery Sunday or holiday, then the next scheduled delivery day
10 becomes the expected delivery day for purposes of service standard
11 achievement.

12 There is an exception from the general three-day service standard
13 applicable for DSCF Standard Mail destined for the U.S. Virgin Islands or for
14 American Samoa. Such mail has a four-day delivery service expectation. For
15 the sake of simplicity, my discussion of the current DSCF Standard Mail service
16 standard will focus on the generally applicable three-day service standard for
17 mail accepted on Friday and Saturday, the proposal to change it to a four-day
18 standard, and the impact of that proposed change. Accordingly, Table 1 below
19 generally shows DSCF Standard Mail delivery service expectations, based on
20 the day of the week on which such mail is accepted by the Postal Service.

¹ In this context, the Critical Entry Time is the latest time that DSCF Standard Mail can be accepted at the designated mail processing plant with the expectation of being processed before the applicable clearance time to meet the service standard for mail processing, dispatch, and final delivery. For example, under current service standards, DSCF Standard Mail accepted by 1600 (4:00pm) on Monday is considered to have been accepted on Monday and generally will have a Thursday delivery expectation; however, if such mail is accepted on Monday after 1600, it is deemed to have been accepted on Tuesday and generally will have a Friday delivery expectation.

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Table 1: Current Days of Acceptance and Expected Delivery for DSCF Standard Mail

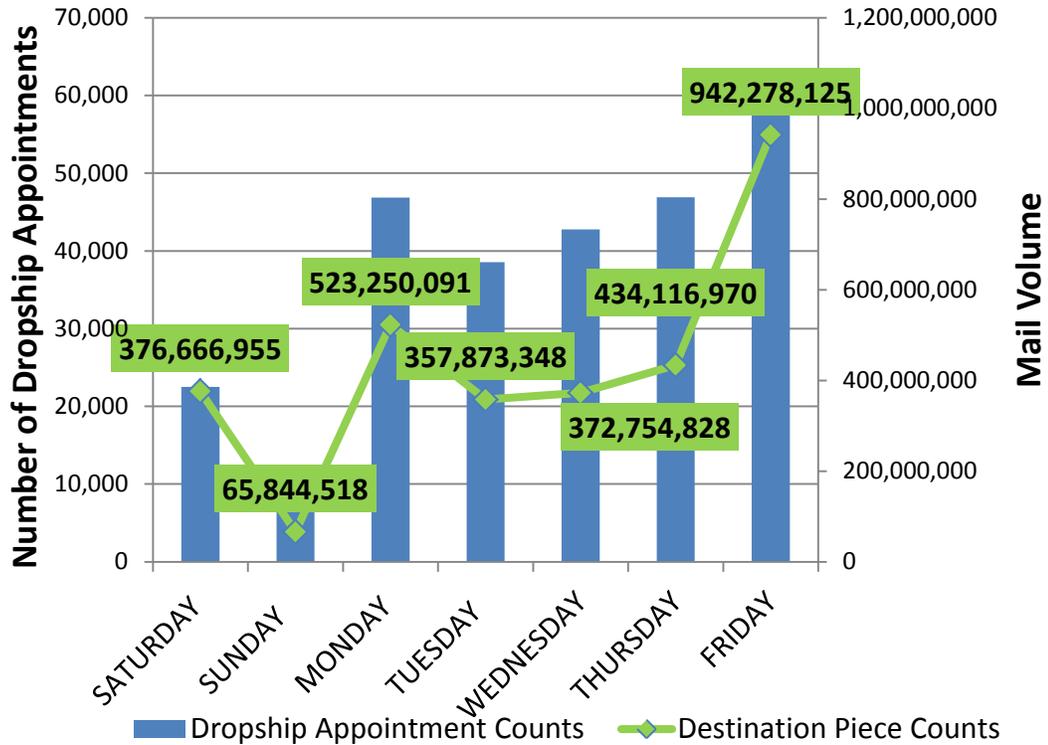


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4 I am informed that in Fiscal Year (FY) 2013, DSCF Standard Mail
5 represented approximately 62 percent of all Standard Mail and about 32 percent
6 of overall mail volume. As depicted in Table 1 above, DSCF Standard Mail
7 accepted on Thursdays and Fridays has a Monday delivery expectation. As
8 indicated below in Table 2, acceptance of DSCF Standard Mail on Thursdays
9 and Fridays account for two of the three heaviest days for entry of such mail per
10 week. Based on Facility Access and Shipment Tracking (FAST) appointment
11 and volume data for Quarter 1 of FY 2013, Table 2 below reflects that a
12 disproportionate share of DSCF Standard Mail is likely to have a Monday delivery
13 expectation.

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Table 2: FY 13 Q1 All Dropship Appointments/Volume for Full Service IMb Standard Mail



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B. Proposed Service Change

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1. The nature of the change is limited in scope.

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7 No earlier than March 27, 2014, the Postal Service intends to change the
8 service standards applicable to DSCF Standard Mail accepted on Friday and
9 Saturday. The Postal Service has submitted for publication a Federal Register
10 notice that explains the nature of and the basis for the proposed change, and
11 solicits public comment.² The nature of the service change and its anticipated
12 impact to senders and recipients of DSCF Standard Mail are limited in scope.
13 Instead of applying the same service standard to DSCF Standard Mail to all days

² Once published, a copy of the Federal Register notice will be filed as a Library Reference in this docket.

1 of the week, the Postal Service will vary the service standard for such mail if it is
2 accepted on either a Friday or Saturday. If it is accepted on a Friday or
3 Saturday, such mail will be subject to a four-day delivery standard. Thus, only
4 DSCF Standard Mail accepted after the CET on Thursday, anytime on Friday,
5 and before the CET on Saturday, will be affected.

6 Currently, such mail accepted on Friday (from after the CET on Thursday
7 until the CET on Friday) generally has an expected delivery day by the following
8 Monday, three days after acceptance. The proposal to give such Friday-entered
9 mail a four-day service standard would change its expected delivery day to
10 Tuesday.

11 Likewise, such mail currently accepted on Saturday (from after the CET on
12 Friday until the CET on Saturday) generally has an expectation of delivery by the
13 following Tuesday, three days after acceptance. The proposal to give such
14 Saturday-entered mail a four-day service standard would change its expected
15 delivery day to Wednesday. Under the proposal, Wednesday will become the
16 expected delivery day for DSCF Standard Mail entered on both Saturday and
17 Sunday. This should not be a problem given the relatively low volumes entered
18 on those days. As indicated above on page 4 in Table 2, by number of mail entry
19 appointments, acceptance of DSCF Standard Mail on Saturdays and Sundays
20 account for the two lightest days for entry of such mail per week. Finally, the
21 change also would affect DSCF Standard Mail entered at the Sectional Center
22 Facility (SCF) in San Juan, Puerto Rico and destined for the U.S. Virgin Islands,
23 and also any DSCF Standard Mail destined for American Samoa. For such mail

1 accepted on Friday, the expected delivery day would change from Tuesday to
2 Wednesday; and for such mail accepted on Saturday, the expected delivery day
3 would change from Wednesday to Thursday.

4 **2. The color coding system illustrates the impact of the proposed**
5 **changes.**

6 The nature of the proposed change may be illustrated by the Postal
7 Service's Color Code Policy for Standard Mail, which is used to reinforce the
8 general principle of *First In, First Out*. Under the policy, when the Postal Service
9 accepts Standard Mail, containers are labeled by color in a manner that visibly
10 highlights to mail processing and delivery personnel the service standard that
11 applies to that container of mail. The colored label assigned to each container is
12 based on the day of acceptance, origin, and destination. Since mailpieces
13 ordinarily bear no indicia of their day of acceptance or expected delivery day,
14 affixing such color coded labels to the multitude of containers of Standard Mail
15 that may enter an SCF or a Destination Delivery Unit (DDU) helps to identify mail
16 that should receive priority processing, dispatch and delivery to better meet
17 established service standards.

18 Under the color code policy, the color on a Standard Mail label represents
19 the expected delivery day (Monday through Saturday) implied by the service
20 standard for the mailing in question. The colors and their assignments are shown
21 in the table below.³

³ One will observe that, to avoid confusion that might arise from the emergence of shorthand references to the colors on labels by the initials letters in each of their names, the Postal Service does not use any two colors for which the names begin with the same letter of the alphabet. Accordingly, because Saturday is designated as *pink*, Thursday is designated as *violet*, even if one were inclined to call it *purple*.

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Table 3: Delivery Day Color Code Assignments

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Blue	Orange	Green	Violet	Yellow	Pink

2 Color coded labels are affixed to containers of DSCF Standard Mail in a manner
3 that makes clear the day by which the mail is expected to be delivered, based on
4 current service standards. Examples of such labels are depicted in the
5 Attachment to my testimony. As illustrated below in Table 4, with the exception
6 of containers destined for the U.S. Virgin Islands and American Samoa, DSCF
7 Standard Mail accepted on Sunday (from after the Saturday CET until the
8 Sunday CET) currently is given a green label indicating a Wednesday delivery
9 expectation.

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Table 4: Current Application of DSCF Standard Mail Color Codes by Day of Acceptance

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Color code for Wednesday until 1600	Color code for Thursday until 1600	Color code for Friday until 1600	Color code for Saturday until 1600	Color code for Monday until 1600	Color code for Monday until 1600	Color code for Tuesday until 1600
1600 – Thurs Violet	1600 – Fri Yellow	1600 – Sat Pink	1600 – Monday Blue		1600 – Tues Orange	1600 – Wed Green

12 As also indicated above in Table 4, because Sunday is not a scheduled delivery
13 day for DSCF Standard Mail, containers accepted on a Thursday (from after the
14 Wednesday CET until the Thursday CET) or a Friday (from after the Thursday
15 CET until the Friday CET) both have a Monday delivery expectation.

16 Under the service change being reviewed in this docket, the color coding
17 matrix depicted above would be changed. As reflected below in Table 5, mail
18 accepted on a Friday (from after the Thursday CET until the Friday CET) will be

1 color coded to reflect that delivery should occur by Tuesday; and mail accepted
 2 on a Saturday (from after the Friday CET until the Sunday CET) will be color
 3 coded to reflect that delivery should occur by Wednesday.

4 **Table 5: Proposed Application of DSCF Standard Mail**
 5 **Color Codes by Day of Acceptance**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Color code for Wednesday until 1600	Color code for Thursday until 1600	Color code for Friday until 1600	Color code for Saturday until 1600	Color code for Monday until 1600	Color code for Tuesday until 1600	All day is color coded for Wednesday
1600 – Thurs Violet	1600 – Fri Yellow	1600 – Sat Pink	1600 – Monday Blue	1600 – Tues Orange	1600 – Wed Green	

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8 **III. Development of the South Jersey Operations Test**

9 **A. The Role of Mailers Technical Advisory Committee Workgroup**
 10 **157**

11 In April 2013, senior postal management consulted with the Mailers
 12 Technical Advisory Committee (MTAC)⁴ to establish Workgroup 157 (MTAC
 13 Workgroup 157), a committee of mailing industry representatives and postal
 14 managers charged with the task of evaluating potential solutions for leveling mail
 15 delivery workload across the days of the week. Mailing industry volunteers were
 16 solicited. Workgroup 157 ultimately included Standard Mail, First-Class Mail and
 17 Periodicals mailers, software vendors, and mail service providers. I served as
 18 the Postal Service co-chair of the group. We met regularly through August to
 19 discuss strategies for workload leveling. In light of the proportion of overall mail
 20 volume delivered on Mondays and its impact on postal delivery workhours, I

⁴ The Mailers Technical Advisory Committee is a forum through which the Postal Service shares technical information with commercial mailers and mail service providers, and receives their advice and recommendations on matters concerning mail-related products and services, in order to enhance customer value and expand the use of these products and services for the mutual benefit of mailing industry stakeholders and the Postal Service.

1 emphasized the Postal Service's interest in distributing delivery workload more
2 evenly across the days of the week to achieve greater efficiency.

3 Mailers expressed support for the pursuit of greater efficiency through load
4 leveling and proposed several suggestions for service trade-offs. For example,
5 there was discussion of whether adjusting service standards across First-Class
6 Mail, Periodicals and Standard Mail would significantly reduce the proportion of
7 mail volume having a Monday delivery expectation. Some mailers that dropped
8 DSCF Standard Mail on Thursdays and Fridays indicated flexibility about whether
9 their mail was delivered on Mondays or Tuesdays. Some mailers reacted more
10 negatively to early delivery (on Saturday instead of Monday) than to delivery
11 occurring a day later than the current Monday delivery standard. Others indicated
12 a strong preference for Monday delivery of mail dropped on Fridays and stated
13 that they would consider adjusting their mail production operations to enter such
14 mail on Thursdays in an effort to preserve Monday delivery. Some mailers
15 indicated that their mail production operations are dependent on Friday entry and
16 expressed preference for retention of current service standards. Still, other
17 mailers expressed concern related to mailpiece visibility and the perceived
18 adverse impact that a relatively high number of mail pieces delivered to the same
19 address on the same day may have on the visibility of individual Standard Mail
20 pieces that were part of that delivery. The consultations also revealed that there
21 was a widespread misperception within the mailing industry that mail accepted by
22 the CET on Friday with a three-day service standard ordinarily has a Tuesday

1 delivery expectation when in actuality it has a Monday delivery expectation.⁵

2 From these constructive meetings, it was clear that no single initiative
3 would likely satisfy all stakeholders. However, MTAC Workgroup 157 reached a
4 consensus that two options affecting Standard Mail might be worthy of further
5 examination in the form of operations testing. Standard Mail is the largest mail
6 class by volume. Limiting the scope of any potential operational change to DSCF
7 Standard Mail was deemed to have the potential for obtaining significant
8 workload leveling benefits without the complexity of involving multiple mail
9 classes or multiple products within a class.

10 MTAC Workgroup 157 discussed two options. The first DSCF Standard
11 Mail option considered changing the current CET for Friday and Saturday from
12 1600 to a significantly earlier time – for example, to 0800 (8:00am). The
13 anticipated impact of this option would be that a large portion of DSCF Standard
14 Mail currently accepted on a Friday with a Monday delivery expectation, would
15 likely not be accepted by an 0800 Friday CET. As a result, mail accepted after
16 an 0800 Friday CET would be treated as Saturday-entered mail with a Tuesday
17 delivery expectation. Under the same option, mail accepted on a Saturday after
18 an 0800 CET would be treated as having been accepted on a Sunday, and would
19 have a Wednesday delivery expectation.

20 The first option met resistance from some mailers concerned about the

⁵ Under the Postal Service's performance measurement rules, since Sunday generally is not a scheduled delivery day, it is excluded from counting only if it is the delivery day implied by the applicable origin-destination service standard. Mailers unaware of this limited exclusion apparently assume that Sunday is not counted in all cases where it comes between the day of acceptance and the delivery day implied by the applicable service standard. Accordingly, for mail with a 3-day service standard entered before the CET on Friday, they mistakenly assume that the currently applicable delivery standard is Tuesday instead of Monday.

1 potential need to implement significant mail production and software changes to
2 account for such CET variations during the week. In addition, the Postal Service
3 was concerned that changing CETs from one day to the next day would run
4 counter to Lean Mail Processing principles aimed at standardizing its mail
5 processing operations to improve consistency of execution and performance.

6 The second option considered preserving a consistent CET throughout the
7 week, but altering the service standard applicable to DSCF Standard Mail
8 accepted on Fridays and Saturdays. This option presented the advantage of
9 being simpler in execution and it would not involve a significant change in day-to-
10 day mail processing operations. Additionally, it would not subject customers and
11 postal mail acceptance and processing personnel to the prospect of changing
12 back and forth between CETs during the week. Ultimately, MTAC Workgroup
13 157 focused its attention on testing this second option. It forms the basis for the
14 service change under review in this case. A test of the operating concept was
15 designed and scheduled for September 2013 in the South Jersey District (South
16 Jersey Operations Test). This operations test and its results are discussed
17 below.

18 **B. Summary of the South Jersey Operations Test**

19 As originally conceived, the South Jersey Operations Test was to involve
20 a limited number of DSCF Standard mailers whose mail, for two weeks, would
21 serve as a proxy for DSCF Standard Mail users as a whole. However, at the
22 suggestion of MTAC Workgroup 157 industry representatives, it was determined
23 that any operations test should include all DSCF Standard Mail accepted at the

1 site. The Postal Service decided to conduct the initial test at the South Jersey
2 Processing & Distribution Center (South Jersey Plant) in Bellmawr, New Jersey.
3 This plant is located in the South Jersey District, described in the testimony of
4 Postal Service witness Mark Anderson filed in support of the Request in this
5 docket.⁶ The Postal Service decided to run the operations test at the South
6 Jersey Plant for two principal reasons. First, it has been serving as a pilot site for
7 the roll-out of several Lean Mail Processing standardization initiatives that are
8 expected to be implemented nationwide in the future. Second, it is reasonably
9 accessible to headquarters personnel who would supervise the test.

10 The primary component of the South Jersey Operations Test was a
11 change in the Color Code Policy applied to containers of DSCF Standard Mail
12 entered at the plant on Fridays and Saturdays. This change was intended to
13 make clear to postal managers and employees that mail in the containers was
14 (for purposes of the test) subject to a four-day service standard. Table 6 below
15 shows that containers of DSCF Standard Mail deposited at the South Jersey
16 Plant on a Friday (from after 1600 on Thursday until the Friday 1600 CET),
17 normally color coded Blue for Monday delivery, were coded Orange for Tuesday
18 delivery. Similarly, containers of DSCF Standard Mail entered on a Saturday
19 (from after 1600 Friday until 1600 Saturday) were coded Green for Wednesday
20 delivery.

21

22

⁶ Docket No. N2014-1, Direct Testimony of Mark Anderson on Behalf of the United States Postal Service (USPS-T-2).

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**Table 6: South Jersey Color Code Test:
Current vs. Experimental Standards**

3 Current Standards

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Color code for Wednesday until 1600	Color code for Thursday until 1600	Color code for Friday until 1600	Color code for Saturday until 1600	Color code for Monday until 1600	Color code for Monday until 1600	Color code for Tuesday until 1600
1600 – Thurs Violet	1600 – Fri Yellow	1600 – Sat Pink	1600 – Monday Blue		1600 – Tues Orange	1600 – Wed Green



4 Experimental Standards

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Color code for Wednesday until 1600	Color code for Thursday until 1600	Color code for Friday until 1600	Color code for Saturday until 1600	Color code for Monday until 1600	Color code for Tuesday until 1600	All day is color coded for Wednesday
1600 – Thurs Purple	1600 – Fri Yellow	1600 – Sat Pink	1600 – Monday Blue	1600 – Tues Orange	1600 – Wed Green	

5 The South Jersey Operations Test called for the plant to tightly control the DSCF
 6 Standard Mail subject to the experiment throughout the test period. The test
 7 required that some DCSF Standard Mail be deferred. Deferrable mail subject to
 8 the test was stored by staging it at the plant either on the workroom floor or in
 9 secure trailers on the property. Each day, the plant dispatched to its Post Offices
 10 and other delivery units the DSCF Standard Mail scheduled for delivery on the
 11 following day (according to the experimental coding system). A more detailed
 12 and technical description of the South Jersey test is provided in USPS Library
 13 Reference N2014-1/1.⁷

14

⁷ DSCF Standard Mail exists in the form of letters/cards, flats and parcels. Since parcels comprise only a miniscule percentage of such volume, their arrival at the plant is much less predictable. Accordingly, the South Jersey Operations Test focused on letters/cards and flats. The service change will apply to all DSCF Standard Mail.

1 **C. Summary of South Jersey Operations Test Results**

2 The South Jersey Operations Test confirmed the hypothesis that
3 implementing the experimental change in service standards would result in
4 leveling the mail processing and delivery workload in the South Jersey District.
5 USPS Library Reference N2014-1/2 reflects summaries of mail processing
6 (Function 1) and city carrier operations (Function 2) workhours for the South
7 Jersey District before and during the two week September 2013 operations test.
8 In the *Analysis* tab of the *F1 Results* spreadsheet in that library reference, based
9 on information from the Management Operating Data System (MODS) for the
10 South Jersey District, one will observe that modest reductions in mail processing
11 workhours were achieved during the operations test. The corresponding
12 *Analysis* tab of the *F2 Results* spreadsheet, based on information from the
13 Delivery Operations Information System (DOIS) for the South Jersey District,
14 indicates that modest improvements in city carrier regular workhours were
15 achieved; however, substantial reductions in overtime hours – approximately 35
16 percent – also were realized.

17 I spent many hours directly observing South Jersey mail processing and
18 delivery operations while the test was underway. Based on my first-hand
19 observations and reports from those who assisted in supervising the South
20 Jersey Operations Test, it is clear that the significant reductions in DSCF
21 Standard Mail volume scheduled for Monday delivery and resulting load leveling
22 during the test allowed South Jersey District delivery personnel to complete in-
23 office tasks earlier and begin delivery on their routes sooner in the day. This, in

1 turn, allowed carriers to complete Monday deliveries sooner and return earlier to
2 their delivery units. I also observed that earlier completion of delivery also
3 allowed for improved timeliness in the dispatch of collection mail to the plant for
4 cancellation and outgoing processing. The leveling of delivery workload on
5 Mondays also enhanced the Postal Service's ability to achieve greater
6 consistency in the timing of mail delivery by carriers to specific addresses each
7 day of the week.

8 When the load leveling service change is implemented, some DSCF
9 Standard mailers with a strong preference for delivery no later than Monday may
10 elect to ensure that they enter their mail on Thursdays (instead of Fridays) in an
11 effort to preserve a "by Monday" delivery expectation. However, based on earlier
12 discussion with mailers, the Postal Service anticipates that many mailers
13 currently entering mail on Friday will not change their production schedules or
14 mail entry patterns, and will adjust to a "delivery by Tuesday" expectation.
15 Likewise, DSCF Standard mailers who currently enter mail on Saturdays are
16 generally expected to adjust from "delivery by Tuesday" to "delivery by
17 Wednesday" service. As a result, when the service change is implemented, the
18 Postal Service anticipates a more even distribution of the proportion of mail
19 volume that gets delivered each regularly scheduled delivery day.

20 The South Jersey Operations Test validated the expectation that targeted
21 workload leveling could improve local operations. The Postal Service anticipates
22 that a national roll-out of the planned service standard change will lead to the

1 same types of positive operational results in every district throughout the postal
2 network to a degree that will vary based on local circumstances.

3 **D. Additional Operations Testing**

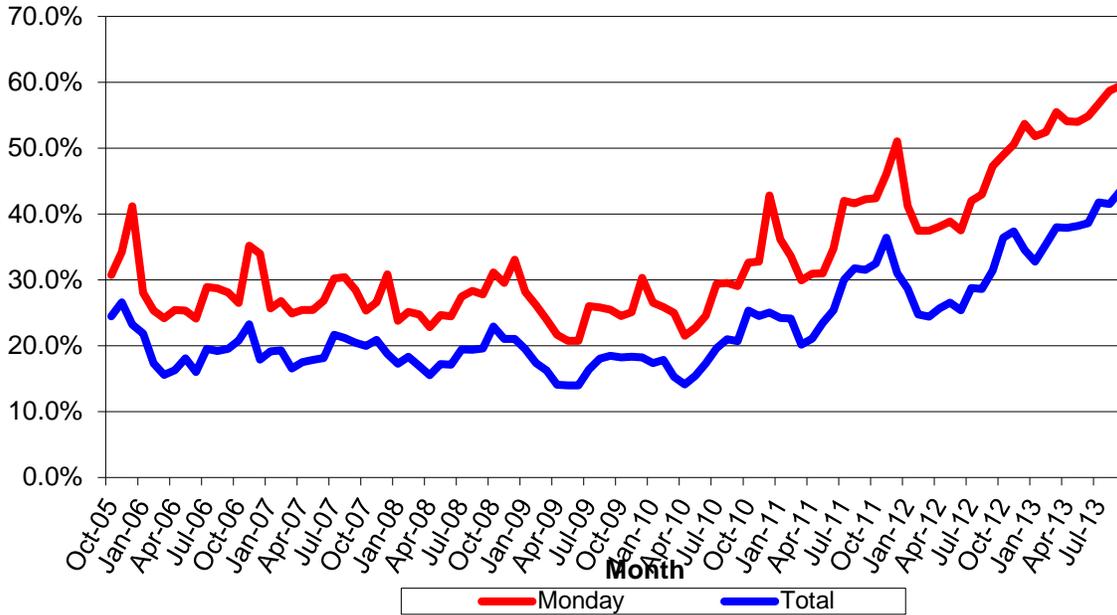
4 In December 2013, the Postal Service initiated a second test of the DSCF
5 Standard Mail service change in the Capital District. Its service area includes the
6 District of Columbia and the adjacent Maryland (MD) suburbs. The Capital
7 District is served by three mail processing plants: the Curseen-Morris Processing
8 & Distribution Center (P&DC) in Washington, D.C.; the Suburban Maryland
9 P&DC in Gaithersburg, MD; and the Southern Maryland P&DC in Largo, MD.
10 The Postal Service anticipates compiling periodic reports of data from this test in
11 a library reference similar to USPS Library Reference N2014-1/2. The Postal
12 Service may test the operating concept in additional administrative districts
13 during the pendency of this docket. If so, similar periodic test results also will be
14 filed.

15

16 **IV. Delivery Benefits of Load Leveling**

17 One of the metrics by which the Postal Service evaluates city carrier
18 performance is to review the number of carriers still on their routes after 1700
19 hours (5:00pm). Monday is typically the day of the week on which the highest
20 proportion of carriers is still out delivering mail after 1700. A review of the past
21 seven years shows that in every month, the percentage of carriers out after 1700
22 on Mondays exceeds the average daily percentage of carriers out after 1700.
23 During this period, Monday's percentage is, on average, 44 percent greater than
24 the percentage for the week.

1 **Table 7: Percentage City Carriers Returning After 1700 Hours**



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4 I am informed that for FY 2013, 54.4 percent of the instances where
5 carriers are still out on their routes after 1700 occurred on Mondays.

6 Often, the late return of carriers has a ripple effect that negatively impacts
7 other operations. Mail collected by letter carriers must be sent to originating
8 plants to be cancelled, processed and dispatched. As a part of the 24-Hour
9 Clock compliance, mail processing plants have a metric – *Pieces Cancelled By*
10 *2000 (8:00pm)* – that is used to judge their performance in handling collection
11 mail and subsequently clearing their outgoing operations. Because of higher
12 delivery volumes, carriers are, by a large measure, frequently later returning from
13 their routes on Mondays than on other days. Consequently, a mail processing
14 plant’s performance, as measured by *Pieces Cancelled By 2000*, tends to lag on
15 Mondays. Late cancellation translates into late clearance of outgoing

1 processing, making Monday the most challenging day for clearing outgoing
2 operations. Late outgoing processing can negatively impact the ability of a plant
3 to tender mail to air transportation providers in a timely manner. This, in turn,
4 results in non-local mail “missing its flight” and having to be “rolled over” until the
5 next day for transportation. Mail that is “rolled over” has a substantially increased
6 risk of failing to meet service standards.

7 Based on my headquarters and field management experience and
8 responsibilities, and my constant interaction with field managers, I am aware of
9 the challenges that are generated by the disproportionate mail volume scheduled
10 for delivery on Monday. The service standard change planned for DSCF
11 Standard Mail will allow for load leveling that reduces the current magnitude of
12 mail with a Monday delivery expectation.

13

14 **V. Implementation and Customer Communications**

15 The Postal Service has considerable experience implementing operational
16 changes that affect Standard Mail, gained as a result of the need to routinely
17 inform the bulk mailing industry about changes in product offerings and prices. I
18 am informed that our plan for communicating the planned service standard
19 change and related operational changes to potentially affected mailers will reflect
20 that experience and expand upon it.

21 In coordinating with the office of Industry Engagement and Outreach at
22 Headquarters, I have been informed that our communications efforts employ a
23 broad array of tools and resources and rely on the collaborative, cross-functional
24 efforts of postal managers at L’Enfant Plaza and in various field organizational

1 units. Communications with mailers through MTAC Workgroup 157 has been at
2 the center of the service change since its inception. Postal management
3 routinely reaches out at both the local and national level, through meetings,
4 messages and workshops to business mailers of all sizes through a network of
5 over 150 Postal Customer Councils, comprised of local mailers, mail service
6 providers and postal managers. As discussed above, the two-week South
7 Jersey Operations Test was conducted in cooperation with industry members of
8 MTAC Workgroup 157.

9 Furthermore, the Postal Service will continue to seek relevant stakeholder
10 feedback through other channels, including the Federal Register rulemaking
11 referenced in the Request. My office is responsible for working with managers in
12 each of the 67 postal administrative districts to coordinate implementation of the
13 service and operational changes; to ensure that mail acceptance, processing and
14 delivery personnel are prepared for implementation; and to monitor customer
15 feedback. One goal of the Postal Service is to make certain that employees
16 responsible for mail acceptance, processing and delivery receive appropriate
17 guidance and resources. Equally importantly, management wants to ensure that
18 information provided to customers is clear, consistent and responsive to their
19 concerns.

20 I have been informed that the Postal Service also routinely reaches out to
21 business mailers through our nationwide Business Service Network (BSN). The
22 BSN is dedicated to providing service and support responsive to the Postal
23 Service's largest customers and their needs, especially as they relate to service

1 and information requests. Bulk mailers of all sizes receive information and
2 support directly from Business Mail Entry Unit personnel and through our Rapid
3 Information Bulletin Board System (RIBBS) website, which contains a wide range
4 of technical data. In addition, I have been told that signage will be created for
5 Business Mail Entry Units, mail processing plant work areas and retail lobbies.
6 Information about the impacts of load leveling will be provided to local news
7 media for dissemination to the general public.

8

9 **VI. Conclusion**

10 Changing the service standard for DSCF Standard Mail entered on
11 Fridays and Saturdays creates an opportunity for the Postal Service to implement
12 operational changes that level the workload associated with processing and
13 delivery of such mail and to significantly improve its delivery operations in
14 general.

Standardized Color Code Tags

All color code tags comply with a standardized national format which requires employees to enter the date and time of mail entry on each tag. Clearance, Delivery and Processing color code tags identify the facility that applied the color code tag. Delivery units often utilize plastic color code cards to separate and place mail at carrier cases.

Scaled to fit on this page, the first three following illustrations depict examples of the standardized color code tag format. The final illustration depicts a reusable plastic delivery unit card.

